

TO:	CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE SEPTEMBER 25 , 2012
FROM:	HARVEY FILGER DIRECTOR OF CORPORATE INVESTMENTS AND PARTNERSHIPS AND JAY STANFORD DIRECTOR OF ENVIRONMENTAL PROGRAMS & SOLID WASTE
SUBJECT:	PHASE 1 STRATEGY FOR EMPLOYING SOLAR PV SYSTEMS ON CITY OF LONDON'S MUNICIPAL BUILDINGS AND PROPERTIES

RECOMMENDATIONS

That, on the recommendation of the Director of Corporate Investments and Partnerships and the Director of Environmental Programs & Solid Waste the following actions be taken with respect to the City of London's solar photovoltaic (PV) power strategy:

- a) the attached Phase 1 Strategy for the pursuit of Offer Notices from the Ontario Power Authority (OPA) for Small FIT rooftop solar power generation systems on City of London buildings **BE APPROVED** for implementation by Civic Administration – noting that Ameresco will continue to develop the Phase 2 and Phase 3 Strategies with respect to microFIT solar and large FIT solar opportunities and that all submission to the OPA are occurring in a highly competitive environment.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Relevant reports that can be found at www.london.ca under City Hall (meetings) include:

- Strategy for Employing Solar PV Systems on City of London's Municipal Buildings (September 11, 2012 meeting of the Investment and Economic Prosperity Committee, [Agenda Item #2](#))
- Proposed Land Leases for Solar Power Production Facilities (February 10, 2010 meeting of the Board of Control, [Agenda Item #9](#))

BACKGROUND

PURPOSE:

The purpose of this report is to seek the committee's and Council's approval of the Phase 1 Strategy that maintains the City of London's favourable position with respect to maximizing the opportunities for solar photovoltaic (PV) projects on City of London property. The timeframe for the Phase 1 Strategy (Small FIT projects under 500 kilowatts in capacity) is expected to be opened between October 1, 2012 and November 30, 2012.

CONTEXT:

In September 2012 council resolved the following:

Recommendation: That the following actions be taken with respect to a strategy

for employing Solar Photovoltaic (PV) Systems on City of London properties:

- a) *the Civic Administration, in consultation with Ameresco Canada, the City's energy service provider, **BE DIRECTED** to create a policy for the establishment of rooftop, ground-mounted and land-leased solar panels that is "vendor neutral" and report back to a future Investment and Economic Prosperity Committee;*
- b) *subject to the approval of the policy noted in a), above, Ameresco Canada **BE ENGAGED** to manage, on the City of London's behalf, an open and transparent procurement process for the establishment of solar PV equipment, through its existing energy service provider arrangement; and,*

The Ontario Power Authority's (OPA) Feed-In-Tariff (FIT) program has recently undergone a major revision as a result of the OPA's two year review of the program,. Under the revised "FIT 2.0" program, a more targeted approach to applying for FIT contracts is necessary in order for any organization to capitalize on the available electrical grid connectivity capacity available to the program.

DISCUSSION:

As directed by Council, Civic Administration, with the assistance of Ameresco Canada has developed a Phase 1 Strategy for the implementation of solar PV generating systems on City of London property. The strategy aims to maximize the City of London's chances of receiving an Offer Notice from the OPA.

Contingent upon receipt of a small FIT Offer Notice(s) from the OPA, Ameresco Canada will be engaged to manage, on the City of London's behalf, an open and transparent procurement process for the establishment of solar PV equipment, through its existing energy service provider arrangement.

The continued interest by third party organizations wanting to mount solar PV systems on City property and the release of the revised FIT 2.0 rules motivated this current re-evaluation of the City of London's solar strategy. On three separate occasions in 2009, 2010 and 2011, City staff have examined opportunities for solar PV operations on appropriate City-owned buildings and lands. The release of the revised FIT 2.0 has resurrected some of the early work and has introduced potentially new opportunities that were not previously available.

The environment within which FIT renewable energy contracts and solar PV in particular are issued is very competitive. It is estimated that, province wide, the generating capacity represented by the currently queued FIT applications seeking contracts is more than six times the available grid capacity allotment for new FIT projects. Due to the vast discrepancy between the ability of the electrical grid to accept new generating capacity and the high level of interest from developers of renewable energy projects, the OPA developed a points-based selection system that credits with points, projects with particular attributes ahead of others, such as those projects with community/aboriginal equity, municipal support, a "time stamp" from the previous FIT process, and/or located at schools and hospitals. In this highly competitive environment, the number of points needed for a successful application that results in an Offer Letter from the OPA will need to be high.

The application window for Small FIT projects (under 500 kilowatts in capacity) is expected to be opened between October 1, 2012 and November 30, 2012. The application window for larger projects is expected sometime in 2013.

The attached strategy document (see Appendix 1) includes an assessment of the City of London properties with respect to their suitability for having solar PV systems

installed on them. In order to take advantage of the fast approaching Small FIT window, the most project-ready, potential Small FIT system hosts will be targeted for applications immediately. There are nineteen properties that are recommended as currently project-ready with an additional sixteen additional properties that may have the potential to host projects as well.

As our energy service provider, Ameresco will on behalf of the City of London manage an open and transparent procurement process for the establishment of solar PV equipment, through its existing energy service provider arrangement should the City be successful in receiving approved projects from the OPA (Offer Notices).

Development of the balance of the solar PV opportunities identified in the strategy documents (Phase 2 and Phase 3) will follow the applications listed above. Potential microFIT projects (under 10 kilowatts) can proceed at any time until such time that the OPA has reached its microFIT procurement target province-wide. Plans for potential large FIT (more than 500 kilowatts) projects can be made in anticipation of the large FIT application window expected to open sometime in 2013.

ACKNOWLEDGEMENTS

This report was prepared with the assistance of Jamie Skimming: Manager- Air Quality, and Daryl Diegel: Corporate Energy Management Coordinator.

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Attachment

cc: Jamie Skimming, Manager, Air Quality
Daryl Diegel, Corporate energy Management Coordinator